

January 21, 2004

Presidential Initiatives for 2004 *Initial Review*

As a lead-up to the President's 2004 State of the Union Address and as part of the address, the Administration has unveiled several new Presidential initiatives. The following table highlights the cost of some of the spending initiatives released by the Administration and information on the source of funding.

INITIATIVE	NEW SPENDING	SOURCE OF FUNDING
Moon Base & Mars Exploration	\$12 Billion Over 5 Years Estimates to establish the Moon Base by 2020 are as high as \$150 Billion Previous estimates for a Manned Mission to Mars are as high as \$400 Billion	\$1 billion in new funding and \$11 billion in NASA reprogrammings Outside the Budget Window / Unclear Outside the Budget Window / Unclear
Special Education	\$1 Billion in the First Year	Unclear
Low-Income (Title I) Education Programs	\$1 Billion in the First Year	Unclear
Marriage Promotion	\$1.5 Billion Over 5 Years	\$500 million offset by repealing out-of-wedlock birth reduction bonus \$500 million in state matching funds \$500 million in new spending
Job-Training Grants for Community Colleges	\$250 Million (Time Period???)	Unclear
Help Striving Readers	\$100 Million (Time Period???)	Unclear
Expand AP programs in low-income schools	\$10 Million (Time Period???)	Unclear
Improve Math Education	\$120 Million (Time Period???)	Unclear
Homeland Security Increase of 9%	Approximately \$4 Billion in the First Year	Unclear
Increase Aid to Afghanistan	\$500 Million in First Year	Unclear

Double Funding for Health Information Demonstration Projects	\$50 Million (Time Period???)	Unclear
Double the National Endowment for Democracy	\$40 Million (Time Period???)	Unclear
Increase Student Drug Testing Program by over 1,000%	\$23 Million (Time Period???)	Unclear
Double Abstinence Funding	\$135 Million in the First Year	Unclear
New Program to Reduce Recidivism Among Inmates	\$300 Million Over 4 Years	Unclear

Source: Various Media Reports and the White House

Assuming that spending on new initiatives and programmatic increases continues at the inflation rate (2.5%) in subsequent years, over the next five years the sum total of federal spending on the President’s proposals is approximately \$50.6 billion (assumes spending for initiatives where the time period is unknown is spread over five years – this is highly unlikely) to \$53.1 billion (assumes spending for initiatives where the time period is unknown is all in the first year).

Of this total, the Administration has made clear that \$11.5 billion is offset through reductions in existing spending. It is unlikely that we will know whether the other increases will be similarly offset until the President releases his Budget in February.

The President also announced that he intends to submit a Budget that “holds” discretionary spending to a 4% increase.

